

3 September 2012

## RECORD MONTHLY COAL PRODUCTION ACHIEVED AT MAMAHAK PROJECT, INDONESIA

*Key milestone achieved as ramp-up continues towards 1Mtpa production rate*

### HIGHLIGHTS

- Record monthly production of 31,245 metric tonnes achieved from Mamahak Coking Coal Mine for month of August – a 50 per cent increase over July.
- Total on-site and port coal stockpiles increased to over 100,000 metric tonnes – awaiting re-commencement of full-scale barging with start of Wet Season in September.
- Further increase in production growth expected over remainder of 2012 as production ramps up to commercial rates.

Kangaroo Resources Limited (ASX: KRL - "Kangaroo") is pleased to advise that its 99%-owned **Mamahak Coking Coal Mine** in East Kalimantan, Indonesia has delivered a record monthly production performance with **31,245 metric tonnes** of coal produced during August – a **50 per cent increase** over the July production figure (19,891 metric tonnes).

The monthly production rate represents a significant milestone for Kangaroo's operating subsidiary, PT Mamahak Coal Mining ("MCM"), as operations at Mamahak continue to ramp up to the targeted commercial production rate of up to **1 million metric tonnes** of coking coal per annum.

It also reflects a number of operational enhancements introduced by the contractor, PT Putra Perkasa Abada (PPA), under a five-year mining contract signed last year with MCM.

By comparison, total coal production from Mamahak for the entire June 2012 Quarter was 27,008 metric tonnes.

At the end of August, **107,641 tonnes of coal** had been stockpiled at Mamahak, which will be barged to port once sustained river levels rise with the expected commencement of the wet season in September.



Figure 1: Coal mining operations by mining contractor PPA at the Mamahak Coal Mine

Kangaroo's Managing Director, Mr Mark O'Keeffe, said: "The August production figure represents a particularly noteworthy achievement at Mamahak, as production for the month was impacted by the Lebaran holidays celebrating the end of the holy month of Ramadan.

"We're therefore expecting further production growth in the remainder of 2012. In addition, with the start of the wet season now imminent, we are very much looking forward to increasing our barge movements to port and clearing our stockpiles."

As previously outlined in the June 2012 Quarterly Report, a number of events are expected to contribute to further production growth at Mamahak in the coming six months. These include:

- a temporary explosives magazine is expected to be completed and ready for the commencement of blasting in Q4 2012. This will be conducted in parallel with the construction of permanent explosives magazines;
- a new Hazemag crusher ordered from Germany is expected to arrive and be installed ready for use in Q1 2013;
- an upgrade to the existing barge loading facilities from 600 tonnes per hour ("tph") to 1,200 tph is expected to be completed by Q1 2013; and
- resource drilling is continuing at Mamahak, with three drill rigs now on site to in-fill existing drill-holes and delineate coal resources.

"This is an exciting time at Mamahak as we see the project transition to consistent production rates and a ramp up to meaningful production volumes," Mr O'Keeffe said.

**ENDS**



**Further information:**

Mark O'Keeffe  
Managing Director  
T | +61 8 6102 6990  
E | [info@kangarooresources.com](mailto:info@kangarooresources.com)  
W | [www.kangarooresources.com](http://www.kangarooresources.com)

**DISCLAIMER:** The information concerning production targets in this announcement are not intended to be forecasts. They are internally generated goals set by the board of directors of KRL. The ability of the company to achieve these targets will be largely determined by the company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into off take arrangements with reputable third parties.

---

## ABOUT KANGAROO RESOURCES

Kangaroo Resources Limited (ASX: KRL) is an emerging international mining Company with three coal projects in the East Kalimantan region of Indonesia.

The Company's projects host significant coking and thermal coal resources which will see KRL emerge as a significant Indonesian coal producer, with first production achieved in December 2009.

KRL is committed to building a sustainable mid-tier mining house, focusing on Indonesian coal and using the considerable experience and expertise of its exceptional in-country majority shareholder to fast track development and production.

The Company's strategy entails continuing to build production in the short term from its three existing projects.

## ABOUT BAYAN RESOURCES

PT. Bayan Resources Tbk is a leading Indonesian-focused coal producer which is listed on the Indonesian Stock Exchange. Bayan produced approximately 15.6 million tonnes of coal in 2011 from seven projects, making it one of Indonesia's largest coal producers. In addition, Bayan owns the Balikpapan Coal Terminal, one of Indonesia's largest coal terminals, as well as an innovative floating transfer station.

Bayan is committed to expanding its overall coal production and its association with Kangaroo as major shareholder, operating and off-take partner will assist in this regard. Bayan has the necessary resources, experience and expertise to help Kangaroo drive forward its Indonesian coal strategy.

### Appendix 1: KRL Project Location Map – East Kalimantan, Indonesia

